

Domestic Market Highlights:

- Prices remained steady throughout the day in most of the markets amid varied demand and supply.
- The Cabinet Committee on Economic Affairs (CCEA) has granted approval for an increase in the Minimum Support Price (MSP) of paddy, aiming to incentivize farmers to expand the cultivation area for this crop and enhance their income. In the 2023-24 crop year (July-June), the MSP for the common grade variety of paddy has been raised by ₹143 to ₹2,183 per quintal, surpassing the previous year's rate of ₹2,040. Additionally, the support price for the 'A' grade variety of paddy has been elevated by ₹163 to ₹2,203 per quintal, compared to the previous rate of ₹2,060.
- This week, price for India's 5% broken parboiled rice variety stands at \$388-\$395 per tonne, exhibiting an increase compared to the previous week's range of \$375-\$380. Over the past month, local paddy prices have surged, driven by the anticipation of a minimum support price hike, consequently leading to an upward trend in rice export prices.
- Thailand's 5% broken rice prices have experienced a slight decline to \$490-\$495 per tonne, as opposed to last week's figures of \$495. Although demand remains stagnant, the forthcoming harvest is expected to bring additional supply next month. It has been observed that African countries have displayed subdued demand due to the relatively higher prices of Thai rice compared to Indian rice. Conversely, concerns regarding droughts and exports to Indonesia have lent support to prices.
- Vietnam's 5% broken rice rates have remained steady at \$490-\$495 per tonne. Traders are accelerating their rice purchases from farmers to fulfill their export commitments for the year, as high prices have encouraged increased investment in the summer-autumn crop.
- As per trade sources, the rice market may experience further decline, primarily due to financial constraints and a lack of demand. Currently, the selling price of 1718 Sela ranges from Rs.7450 to Rs. 7600 per quintal, while Sugandha is priced at Rs. 5900. Taj Sela is available up to Rs. 6000, and RH10 Sela is priced up to Rs. 5100. In the same market, Golden Rs.1718 is being sold at prices reaching Rs.7850, while Steam is being sold at up to Rs. 8600. This situation is mainly attributed to the absence of strong buyers in the market at present. Despite the abundant crop of 1509 paddy, the upside potential remains uncertain. The current stock levels are reported to be significantly high due to the availability of both 1509 paddy and rice in large quantities, resulting in increased sales and subsequent buyer hesitation.
- The price range for India's 5% broken parboiled rice variety was quoted at \$375-\$380 per tonne,

reflecting an increase compared to the previous week's range of \$374-\$378. The demand for rice imports from Asian countries has shown some improvement, primarily driven by the lower prices available. However, a significant proportion of buyers remain hesitant to make purchases.

- The G.O.I. has authorized the export of approximately 1.06 million tonnes of grains, comprising wheat and rice, as part of the nation's diplomatic food assistance program to four countries. However, it should be noted that restrictions on the export of wheat and limitations on rice shipments will remain in effect. In line with discussions held with the Ministry of External Affairs regarding humanitarian food assistance, the Ministry of Food has approved the export of over 200,000 tonnes of broken rice to Indonesia, 500,000 tonnes of broken rice to Senegal, and 50,000 tonnes of broken rice to Gambia.
- On 29th May, 2023, The Directorate General of Foreign Trade (DGFT) has announced changes to a notification from August 17, 2022. These changes will affect the export of rice (both basmati and non-basmati) to European Union (EU) member states and other European countries such as Iceland, Liechtenstein, Norway, Switzerland, and the UK. According to the new rules, exporters will only need to obtain a certificate of inspection from the Export Inspection Council/Export Inspection Agency for exports to these specific countries. For the next six months, exports to other European countries will not require a certificate of inspection from the Export Inspection Council/Export Inspection Agency.
- As per trade sources, Kharif rice sowing just started in South Indian states, West Bengal, Odisha, Maharashtra, Karnataka and Assam. Farmers have taken advantage of pre-Monsoon rains. Total 28.3 lakh Ha has been planted so far, down by 6.69% from the corresponding period last year. West Bengal is leading in the initial stage, covering 7.9 lakh Ha, followed by Telangana covering 4.77 lakh Ha. Farmers in Karnataka have covered 3.29 lakh Ha so far. The sowing pace may increase if pre-Monsoon rains continue.
- During the Kharif Marketing Season (KMS) 2022-23, as of 22nd May 2023, the estimated production of rice stands at 1308.37 LMTs, according to the second advance estimate. The procurement estimate for rice is 626.06 LMTs, with an actual quantity of rice procured amounting to 520.63 LMTs. These figures have resulted in a total Minimum Support Price (MSP) payment of Rs. 159,659.59 Crores, benefiting a significant number of 1,12,96,159 farmers within the same KMS period.
- According to the 3rd Advance Estimates of agricultural year 2022-23, recently published by the Ministry of Agriculture and Farmers Welfare, the total production of rice has been revised to 1355.42 LMT. This figure represents a 3.59% increase compared to the 2nd advance estimate which was

1308.37 and a significant increase of 60.71 LMT when compared to the previous year.

- On 24th May, 2023, the G.O.I. granted authorization for the exportation of broken rice, within the context of government-approved shipments to other nations aimed at fulfilling their food security requirements. It is noteworthy that under ordinary circumstances, the export of broken rice is prohibited.
- As per trade sources, due to payment issues there is sluggish trade activity in Telangana, hence, market sentiments are bearish.
- As per the press release issued by the Indian Meteorological Department (IMD), it has been projected that the commencement of the Southwest Monsoon over the mainland region, specifically in Kerala, is expected to be postponed compared to the usual onset date. The anticipated date for the onset of the Southwest Monsoon over Kerala is forecasted to be around the 4th of June, 2023, with a model error margin of plus or minus four days.
- The government has announced its decision to procure the entire 15 lakh metric tonnes of paddy produced during the Rabi season of 2021-22. This procurement includes 13.73 lakh MTs of parboiled rice and the remaining amount of raw rice, subject to the condition that the State government hands it over to the Food Corporation of India.
- The Centre issued an advisory to the States on Wednesday, urging them to prepare for a potential worst-case scenario by ensuring an adequate supply of seeds for the kharif season in the event of deficient monsoon rainfall. The advisory was prompted by the India Meteorological Department's (IMD) confirmation that most global models indicate a moderate El Nino during the crucial monsoon season (June-September), which contributes 72% of the annual rainfall in India. Speaking at the annual Kharif Campaign, which aimed to prepare strategies for the upcoming season, Union Agriculture Secretary Manoj Ahuja noted that the weather department has forecasted normal monsoon conditions, but El Nino conditions could develop during the monsoon season.
- As per trade sources, the unseasonal rainfall that occurred during March and April resulted in significant losses for farmers, with thousands of acres of paddy and mango crops being destroyed. Many farmers had made substantial investments and are now facing difficulties in repaying their debts. Furthermore, during the paddy procurement process, the storage of paddy in open areas led to complete damage and in certain instances, germination of the wet paddy.
- As per trade sources, there is subdued demand in markets of Rajasthan amid local payment issues

which has resulted in bearish sentiments in market. It is expected that mid-may onwards, demand for seed might start for Kharif paddy sowing.

- As per trade sources, there has been a surge of more than 25 USD per tonne in the prices of Indian non-basmati white (raw) rice for export during the past two weeks, primarily driven by limited domestic supplies and a rising demand from international markets. On the other hand, parboiled (boiled) rice prices have witnessed a decline of 5 USD per tonne. Despite this trend, Indian white rice remains competitive, with a lead of 20-30 USD over its closest rival in the global market. In terms of parboiled rice, the Indian variety is currently at least 100 USD per tonne more affordable compared to its competitors.
- As per trade sources, the recent heavy rains and hailstorms have caused significant damage to standing crops across Nizamabad, Suryapet, and Adilabad districts, affecting thousands of acres. The inclement weather has persisted for the last two days, with all 29 mandals in Nizamabad district experiencing rainfall. As a result, paddy brought to the procurement centres has been soaked in rainwater, causing great distress to farmers. Approximately 30,000 metric tonnes of paddy have been impacted by the rains. The corporation has assured farmers that the damaged paddy stocks will be purchased once permission is obtained from higher officials. As of Monday, standing crops on 3,500 acres have been damaged in Nizamabad district, while horticulture crops on 5,000 acres and paddy on over 25,000 acres have been affected in Suryapet district.
- The government has recently announced the removal of the 20% export duty on rice of “seed quality in the husk”, following a thorough review of rice stocks. This exemption has been implemented as of April 11th, and aims to facilitate trade in the rice sector.
- As of 15th March, 2023, the GOI has granted approval for the provision of fortified rice via the Targeted Public Distribution System (TPDS) under the National Food Security Act (NFSA), as well as in other government welfare schemes in all states and union territories (UTs) by 2024, in a phased approach. During Phase I, states/UTs have procured roughly 17.51 LMT of fortified rice for distribution under ICDS and PM POSHAN. The implementation of Phase II is ongoing, and as of February 2023, 92.77 LMT of fortified rice has been procured for distribution under TPDS in Aspirational and High Burden Districts. Additionally, states/UTs have procured about 27.46 LMT of fortified rice for ICDS and PM-POSHAN.
- According to trade sources, the forthcoming rabi crop of the current KMS 2022-23 is expected to yield 106 LMT rice, which will be procured from 11 states that produce rabi crop rice. The states have been

advised to increase their milling capacity to ensure that the milling of one season is completed before the start of the next season, thus preventing the recycling of rice.

Domestic Market Outlook (Non-Basmati):

- As per prevailing market fundamentals, arrivals of non-basmati have almost come to an end so, it is expected that domestic prices would improve in near term.

International Market Highlights

- As per trade sources, Vietnam's 5% broken rice continued to be offered at \$490-\$495 per tonne, maintaining the same level as the previous week, which marked the highest price since late April. Trading activity has been subdued as certain buyers have reduced their purchases in response to the high prices.
- Notably, Vietnam's rice exports in the first five months of this year are estimated to have surged by approximately 40.8% compared to the same period last year, amounting to 3.9 million tonnes. Moreover, rice shipments from Vietnam in May reached an estimated volume of 1 million tonnes.
- As for Thailand, the prices for their 5% broken rice remained steady at \$495 per tonne, with minimal fluctuations compared to the range of \$495-\$500 quoted in the preceding week due to subdued demand and the weakened baht currency.
- Bangladesh government has allocated a substantial incentive of Taka 33.20 crore with the objective of bolstering the cultivation and production of Aman paddy during the current year. This incentive program entails the provision of essential resources to farmers, including five kilograms of high-quality seeds, as well as ten kilograms each of DAP and MOP fertilizers, all of which will be provided free of charge. These resources are intended to support the cultivation of the high-yielding variety of Ropa Aman paddy on one bigha of land per farmer.
- Meanwhile, Bangladesh is presently engaged in a procurement drive for newly harvested rice. The government aims to acquire 1.2 million tonnes of rice from local farmers between May 7 and August 31, as part of its strategic efforts in the rice market.
- As per trade sources, in the initial month of the current fiscal year (March 21-April 20), the Islamic Republic of Iran imported a substantial quantity of rice totaling 77,932 tons which is down by 52% when compared to the corresponding month of the previous year. Among the exporting nations, India emerged as the primary rice supplier to Iran, shipping 41,000 tons, followed by Pakistan with 30,000 tons and the United Arab Emirates with 2,000 tons.

- This year, Asia's rice production is poised to increase as a result of higher prices that have encouraged farmers to expand acreage and utilize more fertilizer. Such developments are easing supply concerns that arose after production experienced its first decline in seven years during 2022. Recently harvested off-season rice crops from India and Thailand, the top two exporters globally, have surpassed the previous year's output levels, and farmers are preparing for the planting of main crops in the upcoming months, with prices remaining close to their two-year peak.

TODAY

| State/Centre | Variety | Prices (Rs/Qtl) | | Change |
|--------------------|---------------------------------------|-----------------|-----------|--------|
| | | 10-Jun-23 | 09-Jun-23 | |
| Delhi (Naya Bazar) | 1121 Paddy | 4100 | 4100 | Unch |
| | 1509 Paddy | 3600 | 3500 | 100 |
| | DB Paddy | 4100 | 4100 | Unch |
| | Traditional Basmati Paddy | 4500 | 4500 | Unch |
| | Basmati Rice Common (Raw Wand) | 9500 | 9500 | Unch |
| | 1121 Raw Wand | 9000 | 9000 | Unch |
| | 1121 White Parboiled (Sella) Wand | 7800 | 7800 | Unch |
| | 1121 Steam Wand | 9000 | 9000 | Unch |
| | 1121 Golden Parboiled (Sella) Wand | 8300 | 8300 | Unch |
| | 1509 Steam Wand | 8500 | 8500 | Unch |
| | 1509 White Parboiled (Sella) Wand | 6800 | 6800 | Unch |
| | Sugandha Steam | 7200 | 7200 | Unch |
| | Sarbati Raw Wand | 6400 | 6400 | Unch |
| | Sarbati White Parboiled (Sella) Wand | 5500 | 5500 | Unch |
| | Parmal Raw | 4400 | 4400 | Unch |
| | Parmal Steam Wand | 4200 | 4200 | Unch |
| | Parmal White Parboiled (Sella) Wand | 4100 | 4100 | Unch |
| | 1718 Steam Wand | 8500 | 8500 | Unch |
| | 1718 White Parboiled (Sella) Wand | 7500 | 7500 | Unch |
| | 1401 Steam Wand | 8900 | 8900 | Unch |
| | 1401 White Parboiled (Sella) Wand | 8300 | 8300 | Unch |
| | DB(Duplicate Basmati) (Pusa) Raw Wand | 9000 | 9000 | Unch |
| Punjab (Amritsar) | 1121 Paddy | 4000 | 4000 | Unch |
| | 1509 Paddy | 3800 | 3800 | Unch |
| | Traditional Basmati Paddy | 5000 | 5000 | Unch |
| | Basmati Rice Common (Raw Wand) | 9500 | 9500 | Unch |
| | 1121 Steam Wand | 9300 | 9300 | Unch |
| | 1121 White Parboiled (Sella) Wand | 8050 | 8050 | Unch |
| | 1509 Steam Wand | 8900 | 8900 | Unch |

| | | | | |
|--------------------------------|--|------|------|------|
| | 1509 White Parboiled (Sella) Wand | 7050 | 7050 | Unch |
| | Sarbati Raw Wand | 6650 | 6650 | Unch |
| | Sarbati Steam Wand | 6450 | 6450 | Unch |
| | Sarbati White Parboiled (Sella) Wand | 5550 | 5550 | Unch |
| | Parmal Steam Wand | 4200 | 4200 | Unch |
| | 1718 Steam Wand | 8800 | 8800 | Unch |
| | 1718 White Parboiled (Sella) Wand | 7600 | 7600 | Unch |
| | 1401 Steam Wand | 9000 | 9000 | Unch |
| | PR-47 Govt. Quality | 3050 | 3050 | Unch |
| Haryana (Karnal) | 1121 Paddy | 4200 | 4200 | Unch |
| | 1509 Paddy | 4000 | 4000 | Unch |
| | Basmati Paddy 31no. | 5000 | 5000 | Unch |
| | Basmati Rice Common (Raw Wand) | 9500 | 9500 | Unch |
| | 1121 Steam | 9300 | 9300 | Unch |
| | 1121 White Parboiled (Sella) Wand | 8050 | 8050 | Unch |
| | 1509 White Parboiled (Sella) Wand | 7050 | 7050 | Unch |
| | Sarbati Steam | 6450 | 6450 | Unch |
| | Sarbati White Parboiled (Sella) Wand | 5550 | 5550 | Unch |
| | DB(Duplicate Basmati) Steam | 9050 | 9050 | Unch |
| | DB(Duplicate Basmati) White Parboiled | 8050 | 8050 | Unch |
| | Parmal Raw | 4400 | 4400 | Unch |
| | Parmal Steam Wand | 4200 | 4200 | Unch |
| | Parmal White Parboiled (Sella) Wand | 4250 | 4250 | Unch |
| | 1718 Steam Wand | 8800 | 8800 | Unch |
| | 1718 White Parboiled (Sella) Wand | 7600 | 7600 | Unch |
| | 1401 Steam Wand | 9000 | 9000 | Unch |
| | IR-08 | 3050 | 3050 | Unch |
| West Bengal (Kolkata) | Swarna White Parboiled 5% Silky Sortex | 3120 | 3120 | Unch |
| | Swarna White Parboiled 100% Silky Sortex | 3150 | 3150 | Unch |
| | IR-36 White Parboiled 5% Silky Sortex | 3200 | 3200 | Unch |
| | IR-64 White Parboiled 25% Silky Sortex | 3500 | 3500 | Unch |
| | Miniket 5% Broken | 4500 | 4500 | Unch |
| | Gobind Bhog | 6800 | 6800 | Unch |
| Andhra Pradesh (Kurnool) | Sona Fine | 4200 | 4200 | Unch |
| Andhra Pradesh (Machilipatnam) | BPT Steam | 4300 | 4300 | Unch |
| Chhattisgarh (Bhatapara) | HMT | 4900 | 4900 | Unch |
| | JSR (Jai Shri Ram) | 5400 | 5400 | Unch |
| | Vishnu Bhog | 7300 | 7300 | Unch |
| | Dugraj | NA | NA | - |
| | Swarna | 3050 | 3050 | Unch |

| | | | | |
|---------------------------------|----------------------------------|-------|-------|------|
| Chhattisgarh (Rajim) | Swarna 5% Broken | 2825 | 2825 | Unch |
| | BPT Steam | 3700 | 3700 | Unch |
| | BPT White Parboiled | 3400 | 3400 | Unch |
| Maharashtra (Nagpur) | HMT Raw | 4700 | 4700 | Unch |
| | JSR (Jai Shri Ram) Best | 5600 | 5600 | Unch |
| | Chinnor Best | 4900 | 4900 | Unch |
| | BPT | 3800 | 3800 | Unch |
| | Rupali | 4000 | 4000 | Unch |
| Maharashtra (Gondia) | IR-36 White Parboiled (Sella) | 2900 | 2900 | Unch |
| | HMT RAW | 5050 | 5050 | Unch |
| | BPT White Parboiled (Sella) | 4450 | 4450 | Unch |
| Karnatka (Raichur) | Sona Steam | 4500 | 4500 | Unch |
| | Sona Raw | 5500 | 5500 | Unch |
| | Ganga Kaveri | 5500 | 5500 | Unch |
| | HMT | 4800 | 4800 | Unch |
| Telangna (Nizamabad) | BPT Steam | 4100 | 4100 | Unch |
| | BPT raw | 4500 | 4500 | Unch |
| | kolam Steam Sortex | 5800 | 5800 | Unch |
| | JSR (Jai Shree Ram) kolam | 5400 | 5400 | Unch |
| | IR-64 | 2500 | 2500 | Unch |
| | Kinki | 2300 | 2300 | Unch |
| Telangana (Hyderabad) | IR-64-Bold Sortex | 2600 | 2600 | Unch |
| | Sona Masuti Steam | 4600 | 4600 | Unch |
| | IR-Silki Sortex | 2500 | 2500 | Unch |
| Uttarakhand (Uddhamsingh Nagar) | Organic Basmati | 10600 | 10600 | Unch |
| | Dehraduni Basmati | 9600 | 9600 | Unch |
| | 1121 Steam | 9100 | 9100 | Unch |
| | 1509 Steam | 8600 | 8600 | Unch |
| | Sugandha White Parboiled (Sella) | 5900 | 5900 | Unch |
| | Parmal White Parboiled (Sella) | 4200 | 4200 | Unch |
| | Sharbati Steam | 6300 | 6300 | Unch |
| Gujarat (Ahmedabad) | IR-08 Jaya Sortex | 3025 | 3025 | Unch |
| | Parmal Sortex | 3125 | 3125 | Unch |
| | Kolam Sortex | 3200 | 3200 | Unch |

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